PERSPECTIVE

Spring 2018

Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada

The Commissioner's Perspective

Office of the Auditor General of Canada

Bureau du vérificateur général du Canada

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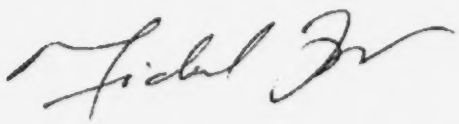
To the Honourable Speaker of the House of Commons:

I have the honour to transmit herewith these spring 2018 reports, which are to be laid before the House, in accordance with subsection 7(5) of the *Auditor General Act*.

Yours sincerely,



Michael Ferguson, CPA, CA
FCPA, FCA (New Brunswick)
Auditor General of Canada

OTTAWA, 24 April 2018

The Commissioner's Perspective

Julie Gelfand
Commissioner of the Environment and Sustainable Development

In 2015, members of the General Assembly of the United Nations, including Canada, adopted the 2030 Agenda for Sustainable Development (the 2030 Agenda)—an ambitious plan to work toward sustainability, prosperity for all, and reduced inequalities.

In 2017, Canada reinforced its commitment to the 2030 Agenda and highlighted the challenges it must face to achieve sustainable development in this country.

Those challenges include the need for reconciliation with Indigenous peoples and the need for reductions in carbon pollution while growing the economy.

In our spring 2018 audit on Canada's preparedness to implement the 2030 Agenda—and in other audits—we found that the federal government is not ready to implement its commitments on sustainable development because three building blocks for success are not in place.

First, the federal government does not regularly balance the three pillars of sustainable development.

Second, there is a lack of leadership for many sustainable development activities.

Third, the federal government has not implemented the tools it already has to assess the impacts of policy decisions on sustainable development.

The 17 sustainable development goals of the United Nations' 2030 Agenda for Sustainable Development

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
SUSTAINABLE DEVELOPMENT GOALS

Source: United Nations

Building Block 1—Balancing the three pillars of sustainable development

The 2030 Agenda calls for sustainable development that balances three pillars—the economy, society, and the environment. However, Canada's *Federal Sustainable Development Act* and the related 2016–2019 Federal Sustainable Development Strategy, which is the government's primary tool to plan sustainable development activities, are still not balancing the three pillars. They remain narrowly focused on the environment. The Act and the strategy do not put enough emphasis on either society or the economy.

The importance of balancing the three pillars is also highlighted in our spring 2018 audit on salmon farming. We found that the federal government had not managed the salmon farm industry to ensure that wild fish were sufficiently protected. In other words, in that case, the federal government favored the economic pillar over the environmental pillar. As a result, it again fell short on working to achieve sustainable development.

Building Block 2—Providing leadership

The federal government has not clearly defined the roles and responsibilities of the various federal organizations involved in preparing to implement the 2030 Agenda. In fact, five organizations are designated as co-leads for preparing for Canada's implementation.

In my opinion, it is difficult to move forward with 10 hands on the wheel.

Some other countries have established leadership for the implementation of their 2030 Agenda commitments at the centre of government. For example, in Germany, the Head of the Chancellor's Office chaired the State Secretaries' Committee for Sustainable Development.

We also identified a lack of clear leadership on the part of Environment and Climate Change Canada in our spring 2018 audit on conserving Canada's biodiversity. The Department did not effectively coordinate the actions of other federal organizations in a way that would allow Canada to achieve its 2020 biodiversity targets.

Furthermore, I received an environmental petition on the 2030 Agenda that touched on the Department of Finance Canada. The Department's response was that the 2030 Agenda does not fall within its purview. However, in the Auditor General of Canada's spring 2017 audit on inefficient fossil fuel subsidies, we found that the Department did have a role to play in Canada's progress toward meeting Goal 12 of the 2030 Agenda (responsible consumption and production).

While Budget 2018 proposed to establish a Sustainable Development Goals Unit, we will have to wait and see if this unit will provide the leadership that Canada needs on sustainable development.

Building Block 3—Assessing impacts of policy decisions

The 2030 Agenda recognizes that government policies need to work together to achieve sustainable development. This means that governments need to develop and use tools that allow them to consider the impact of proposed policies on the three pillars of sustainable development.

The federal government has in place the Gender-Based Analysis Plus tool and the Strategic Environmental Assessment tool. These tools are intended for assessing and documenting the social and environmental impacts of policy proposals to help ministers understand the ramifications of the decisions that they are called to make.

However, in past audits, the Office of the Auditor General of Canada has reported weaknesses in the federal government's implementation of these tools. For example, in 2017, we found that the federal organizations we examined applied the Strategic Environmental Assessment tool to only 22 percent of proposals submitted to an individual minister or to the Cabinet.

Conclusion

The federal government signed on to an ambitious undertaking when it committed in 2015 to implementing the 2030 Agenda for Sustainable Development. Our audit shows that three years in, Canada has yet to complete some of the fundamentals—such as establishing a governance structure and plan—to position itself to deliver on this international commitment.

This is not the first audit to show a lack of preparation to deliver on international commitments. Most recently, in our fall 2017 audit on reducing greenhouse gases and our spring 2018 audit on conserving biodiversity, we concluded that Canada was not likely to meet the international commitments it had made.

History shows a track record of missed targets and commitments going back several decades. The federal government committed to implementing the 2030 Agenda three years ago, but again, it is not ready to respect its international commitment. When will it be ready?

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